

EXHIBIT 2

ON LEASE ADMIN.
APPROVED
Form 2/6/94
Cont. 2/6/94
Check 2/8/94

LEASE AGREEMENT

SK PROPERTIES, L.P.

A Kansas Limited Partnership

LESSOR

CLOTH WORLD OF TEXAS, INC.

A Texas corporation

LESSEE

Suite 123, Rockridge Plaza

5217 82nd Street

Lubbock, Texas

LEASED PREMISES

REFERENCE DATA

Execution Date: ~~January~~ ^{February} 8, 1994
 Lessor: SK Properties, L.P., a Kansas Limited Partnership
 Lessor's Address: P. O. Box 65207, Lubbock, Texas 79464
 Lessee: Cloth World of Texas, Inc., a Texas corporation
 Lessee's Address: 8500 Maryland Avenue, P. O. Box 66810, St. Louis, Missouri 63166,
 Attn: Director of Lease Administration/Cloth World
 Unit Number: 123
 Shopping Center Name: Rockridge Plaza
 Shopping Center Address: 5217 82nd Street, Lubbock, Texas
 Legal Description: A portion of Tract "B-2", Heald Addition to the City of Lubbock,
 Lubbock County, Texas
 Approx. Sq. Ft. in Unit: 15,595
 Commencement Date: The earlier of (i) the date Lessee shall open for business, or (ii) sixty (60)
 days following the date on which Lessor approves Lessee's plans pursuant
 to the terms of Exhibit "B" hereof.
 Possession Date: The date hereof
 Primary Term of Lease: Ten (10) years
 First Month's Rent: \$0.00
 Security Deposit: \$0.00
 Percentage Rent Percent: Three Percent (3%)

Initial Monthly Operating Expense:

(a)	Common Area Expense	\$649.79
(b)	Ad Valorem Tax Expense	974.69
(c)	Insurance Expense	155.95
	TOTAL:	\$1,780.43

Use of Leased Premises: Fabrics, patters, notions and related items, and accessories. Lessee may sell sewing machines and accessories, craft items and craft sewing notions, including artificial flowers; and provide sewing machine repair services and sewing classes.

Exhibits: The indicated Exhibits are incorporated by reference and are part of the Lease Agreement (check those attached):

<u> X </u>	Exhibit "A" - Site Plan
<u> X </u>	Exhibit "B" - Lessor's Construction and/or Allowance Agreement
<u> X </u>	Exhibit "B-1" - Lessee's Construction (To Be Attached)
<u> X </u>	Exhibit "G" - Personal Guaranty
<u> X </u>	Exhibit "R" - Rent Schedule
<u> X </u>	Exhibit "S" - Sign Specifications

16. **ACCEPTANCE OF PREMISES.** Subject to Lessor's obligation to repair latent defects in the Leased Premises, as more particularly set forth in Paragraph 7 of this Lease, Lessee's taking possession shall be conclusive evidence that the Leased Premises were in good order and satisfactory condition when Lessee took possession and that there was nothing dangerous in or about the Leased Premises and Lessee waives any claim for damages that may arise from defects of that character. No promise of Lessor to alter, remodel, repair, decorate or improve the Leased Premises or any part thereof of the Shopping Center, and no representation respecting the condition of the Leased Premises or the Shopping Center have been made by Lessor to Lessee other than as may be contained herein or in the exhibits attached hereto.

17. **USE OF LEASED PREMISES.**

- (a) Lessee shall continuously use the Leased Premises during the term of this Lease Agreement only for the Use of Leased Premises stated in the Reference Data. Lessee will not use the Leased Premises for any other purpose. Lessee shall keep the Leased Premises open to the public for business with adequate personnel in attendance from at least 10:00 a.m. until 6:00 p.m., Monday through Saturday, inclusive (provided that Lessee may close for business on Sundays, legal holidays on which national banks in Lubbock, Texas are closed, and two (2) days per calendar year for purposes of taking inventory). Lessee's obligation to so keep the Leased Premises open for business shall not be affected by the fact that other tenants located in the Shopping Center may not be open for business during such days and hours. Lessee further agrees to comply with all applicable statutes and regulations, whether federal, state, county or municipal, provided that Lessee shall not be required to make any structural changes to the Leased Premises in order to comply with such statutes and regulations unless compliance is required due to Lessee's use of the Leased Premises. Lessee shall not do or permit to be done any act or thing upon the Leased Premises which shall be in conflict with fire insurance policies covering all or any part of the Shopping Center of which the Leased Premises is a part, and shall not do or permit to be done any act or thing upon the Leased Premises which shall or might subject Lessor and/or the Leased Premises to any liability or responsibility for injury to person or damage to property. Lessee shall not use the sidewalks, other facilities used in common with other tenants, or City property for the display and/or sale of merchandise, except in the case of a bona fide sidewalk sale or promotion which has been approved in writing by Lessor. Lessor will use the trade name "Cloth World" in its business unless Lessee begins to operate a majority of its stores under a different name, in which case Lessee may use the different name at the Leased Premises. Lessee shall not at any time advertise or conduct within the Leased Premises any fire, auction, bankruptcy, "going out of business", "lost our lease" or similar sales, or operate within the Leased Premises a cooperative store, a "second-hand" store or a "surplus" store. It is further expressly agreed and understood that Lessee will not subject or cause said Leased Premises to be subjected to any mechanic's or materialman's liens.

- (b) During the term of this Lease, provided Lessee is not in default hereunder, Lessor, without Lessee's prior written approval, agrees that it will not lease space in the Shopping Center to any other person where the primary use of such space will be the sale of fabrics, notions and sewing machines, or for the operation of a bar (which shall not include a bar operation conducted in conjunction with a restaurant), nightclub, dance hall or betting parlor. This provision will not apply to any renewal of leases executed prior to the execution of this Lease. Lessor agrees that Lessor's breach of the restrictions contained in this Paragraph 17(b) shall constitute a material default by Lessor under the terms of this Lease Agreement and shall entitle Lessee to exercise the remedies granted to Lessee in Paragraph 31 hereof, subject, however, to Lessor's right to cure such default as provided in Paragraph 31.

18. **RULES AND REGULATIONS.** Lessee shall faithfully observe and comply with all non-discriminatory rules and regulations Lessor may adopt from time to time for the orderly use of the Shopping Center and the protection and welfare of the Shopping Center and its tenants and invitees. A breach by Lessee and/or its employees or agents of any rules and regulations shall be deemed to be a default under this Lease Agreement by Lessee and Lessor shall have all remedies provided in this Lease Agreement.

19. **LESSOR'S RIGHT OF ENTRY.** The parties hereto agree that Lessor, its agents or representatives, shall have the right, without abatement of rent, to enter into the Leased Premises at reasonable times, during Lessee's normal business hours and following at least twenty-four (24) hours prior notice (which, in this case, may be given by telephone to the Lessee) to examine the Leased Premises, exhibit the Leased Premises, improve or repair the Leased Premises or the Shopping Center, provide services required of Lessor, or to make such repairs or alterations to the Leased Premises as may be necessary for the safety and preservation of said Leased Premises; provided, however, that in the case of an emergency Lessor may enter the Leased Premises at any time without prior notice or liability. Such examinations, repairs, and alterations, except those of an emergency nature, shall be made so as to cause a minimum of interference with Lessee's business conducted on the Leased Premises. While performing work in the Leased Premises, Lessor shall take all reasonable steps to avoid any damage to Lessee's personal property, trade fixtures and other items in the Leased Premises which Lessee is required to maintain and repair pursuant to the terms of this Lease. Any work to be performed by Lessor shall be promptly commenced and diligently pursued to completion and shall not materially affect access to or visibility of the Leased Premises, reduce the square footage of the Leased Premises or alter Lessee's decor.

20. **ASSIGNMENT AND SUBLETTING.** Lessee may not assign this Lease Agreement or any interest herein or sublet the Leased Premises or any part thereof or any right or privileges pertinent thereto without Lessor's prior written consent, which consent shall not unreasonably be withheld or delayed. If Lessor, in Lessor's sole discretion, approves a transfer, assignment or sublease, for each such transfer, assignment or sublease so approved, Lessee shall pay to Lessor a charge in the amount of \$500.00. Each transferee, assignee or sublessee must assume in writing all of Lessee's obligations under this Lease Agreement and Lessee shall remain